

Quality Assurance Surveillance Plan and Contractor Payment Examples

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1.0 GENERAL

The Performance Requirements Summary (PRS) chart for each functional area of the contract requirement is included at Technical Exhibit 4. The PRS identifies the work requirement, contract reference, standard, method of surveillance, and work requirement weight. The Contractor's performance of each contract requirement is evaluated on the basis of a number of performance elements such as Quality of Work, Quality Control, Scheduling, response, timely completion, and compliance with safety or labor standards. The applicable performance elements of each contract requirement are identified in the PRS and each element is weighted in terms of its relative importance to the contract requirement. The sum of the weights of all elements of each contract requirement equal 100%. The elements and associated weights are established in the PRS.

1.1 Lists those requirements (column 1, Required Service) which are paid for on the basis of a payment computation system specified in paragraph 5 of this exhibit. The absence of any contract requirement from the PRS, however, shall not detract from its enforceability or limit the rights or remedies of the Government under any other clause of the contract, including the clause paragraphs entitled "Inspection/Acceptance" and "Termination for cause".

1.2 Defines the standard of performance for each listed service (column 2, Standard).

1.3 Sets forth the maximum allowable deviation (maximum error rate) from perfect performance for each listed service (column 3, Maximum Error Rate or Performance Requirement) that may occur before the Government will invoke the payment computation formula resulting in a payment of less than 100 percent of the maximum payment of the listed service.

1.4 Sets forth the primary surveillance methods the Government will use to evaluate the Contractor's performance in meeting the contract requirements (column 4, Method of Surveillance).

1.5 Sets forth the percentage of the extended contract line item price that each listed contract requirement represents (column 5, Maximum Payment Percent for Meeting the PR). Each contract line item must equal 100 percent.

2.0 GOVERNMENT QUALITY ASSURANCE

Contractor performance will be compared to the contract standards and performance requirements using the Quality Assurance Surveillance Plan (QASP).

2.1 Methods of Surveillance

The Government may use a variety of surveillance methods to evaluate the Contractor's performance. Only one method will be used at a time to evaluate a listed service during an inspection period for payment computation purposes. The methods of surveillance that may be used are:

2.1.1 Periodic Surveillance. Periodic surveillance is based on evaluating a portion of the work as the basis for evaluating the Contractor's performance. Periodic surveillance of recurring output items (daily, weekly, monthly) will be performed as determined necessary to ensure a sufficient evaluation of Contractor performance.

2.1.2 100% Inspection. Under one hundred percent inspection, the COR must inspect and evaluate the Contractor's performance each time a task is performed. One hundred percent inspection will be used for evaluating performed tasks infrequently (quarterly, semi-annual and annual).

2.1.3 Validated Customer Complaints. Validated customer complaints is a quality assurance method based on customer awareness. Employees are made aware of contract requirements and monitor the services provided by the Contractor. Where there is a perceived case of poor performance or nonperformance, the Government (COR) is notified with a Customer Complaint Record (see TE 5, Examples of Contract Forms). The COR investigates the report and, if it is found to be valid, documents it. Validated customer complaints is used as a surveillance method to supplement other surveillance techniques and will not be used as a basis of deductions from payments.

2.1.4 Unscheduled Inspection. Unscheduled inspection consists of impromptu evaluation of contract requirements whenever the COR feels there may be a need. This method is used to investigate suspected problems and will be used to support other methods of inspection. Unscheduled inspections are never used as a primary evaluation method of surveillance and will not be used as a basis of deductions from payments.

3.0 CRITERIA FOR EVALUATING PERFORMANCE

Performance of a listed service will be accepted and paid for at the maximum payment percentage specified in column 5 of the PRS when the number of defects found by the COR during contract surveillance does not exceed the number of defects allowed by the performance requirement in column 3. When the maximum error rate (MER) is exceeded, the Contractor shall complete a Contract Discrepancy Report (CDR) (see TE 5). The Contractor shall explain, in writing, why performance was unacceptable, how performance will be returned to acceptable levels, and how recurrence of the problem will be prevented in the future. The CO will evaluate the Contractor's explanation and determine if full payment, partial payment, or the contract termination process is applicable. The Contractor's payment for services rendered will be calculated as stated in paragraphs 4.0 and 5.0. The Government specifically reserves the right to make a temporary partial payment for services performed, calculated as stated in paragraphs 4.0 and 5.0, prior to receipt and evaluation of the Contractor's response to a CDR.

3.1 Deductions

Deductions can be assessed for contract requirements that are not satisfactorily completed by the Contractor. The amount of the deduction assessed will depend on which elements of the contract requirement were unsatisfactory and the weight of the element(s). Except as otherwise provided by Section 3.3, deductions may not be assessed for defects that are reformed to meet all elements of the contract requirement (including quality and completion

time). If the service is not reperfomed, or is reperfomed but not satisfactorily, a deduction can be taken for the quality of the work. If the service is reperfomed satisfactorily but the completion time is surpassed, a deduction can be taken for exceeding the completion time. However, if the Contractor had completed the reperformance satisfactorily within the completion time, no deduction can be taken.

3.2 Determining the Number of Defects That Will Cause Less Than Maximum Payment

Only the Contracting Officer may assess deductions, however, the COR is required to make the recommendations. If the COR finds unsatisfactory, incomplete, unperfomed work, the Contractor is allowed to reperform the work. Only if the Contractor fails to reperform the work to the contract standards and within a reasonable period of time will deductions be taken.

The number of defects that will cause less than a maximum payment will be determined as follows:

3.2.1 When the MER is a constant number of defects (for example, two defects), the MER plus one or more additional defect will cause less than maximum payment (for example, three defects).

3.3 Acceptance of Reperformance or Late Performance

3.3.1 Defective or incomplete performance disclosed by Government inspection of the services required by this contract is subject to correction by reperformance or late performance. The Contractor shall be notified promptly after inspection that specified defective services were observed and the Contractor shall be entitled to reperform, perform late, or otherwise correct defective services for the purpose of improving an existing inspection rating or avoiding payment of less than full contract price.

3.3.2 The services required to be performed under this contract on a daily basis (see Required Service 1) are of such a nature that excessive defective or incomplete performance disclosed by Government inspection is not subject to correction by reperformance or late performance, and the Contractor shall not be entitled to reperform, perform late, or otherwise correct those defective services for the purpose of improving an existing inspection rating or avoiding payment of less than full contract price.

3.3.3 Where the Government requires reperformance or late performance of all defective service, the Contractor shall resubmit the entire service for reinspection. Upon reinspection, the original inspection results shall be revised to reflect the resubmitted service lot.

4.0 CONTRACTOR PAYMENT

4.1 If the number of performance defects does not exceed the number of defects allowed per the PRS, the Contractor shall be paid the percentage of the monthly contract line item price indicated in column 5 of the Performance Requirements Summary chart for that service.

4.2 If the number of performance defects exceeds the number of defects allowed per the PRS, the Government will not pay the full percentage in column 5 for the service.

4.2.1 The payment for listed services with defects which exceed the MER will be calculated as described in paragraphs 5.1 through 5.6. The number of defects found in excess of the MER is used to determine the payment amount. This payment calculation method is used for all Required Services (RS-1 through RS-6).

4.3 For those services that are performed less frequently than monthly, computation of the Contractor's payment will be made during or immediately following the month when that service is performed.

5.0 INSPECTION PROCEDURES AND EXAMPLES OF PAYMENT COMPUTATIONS FOR ALL REQUIRED SERVICES

5.1 Required Service 1 (RS-1): Daily Cleaning

Method of Surveillance: The primary method of surveillance will be Periodic Surveillance of each area throughout the month. Validated Customer Complaints will also be considered.

Lot Size: The number of areas to be cleaned per month multiplied by the number of days in a month. This number ranges from 140 to 186.

Sample Size: 20-31 physical inspections of each area per month.

Performance Requirement: MER = 2 defects per area. Performance is acceptable when 2 or fewer tasks performed per area per calendar month are defective. Performance is unacceptable when 3 or more tasks performed per area per calendar month are defective. Any tasks up to 5 per area found to be defective are corrected by reperformance within 1 calendar day. Any tasks over 5 per area found to be defective must be corrected by reperformance within 1 calendar day, but the reperformance will not improve the inspection results and the Contractor is not entitled to any payment percentage for that area.

Inspection Procedure: Inspect each area to be cleaned daily under the contract using the last physical inspection report as a guide. Note any items that do not meet the performance standards in the statement of work. Review any customer complaints received to find a description of any tasks not performed to the standards. Determine if the Contractor did not perform as required. Document any tasks that require reperformance. Upon reperformance, reinspect and determine if service meets the standards.

Deduction for Unacceptable Performance: Five percent (5%) of maximum monthly payment for each defect in excess of the MER, up to and including 5 defects. When a service area exceeds 5 defects in one month, the Contractor will receive no payment for the service for that area, regardless of reperformance or late performance.

5.1.1 Example 1 - Acceptable Performance

Maximum monthly payment for acceptable performance of Required Service 1 for one area (i.e., Visitor Center) is \$10,000.00. Two tasks were found to be defective within the month and were reperformed satisfactorily within the required time.

(1)	Maximum payment for acceptable service	\$10,000.00
(2)	No incidents occurred in excess of the MER	
(3)	Payment to the Contractor for this Service	\$10,000.00

5.1.2 Example 2 - Unacceptable Performance

Maximum monthly payment for acceptable performance of Required Service 1 for one area (i.e., Visitor Center) is \$10,000.00. Five tasks were found to be defective within the month and were not reperformed satisfactorily within the required time.

(1)	Maximum payment for acceptable service	\$10,000.00
(2)	Three incidents occurred in excess of the MER, each subtracts 5% from the maximum payment for a total of $3 \times 5\% = 15\%$ deduction	
(3)	Deduct amount is $15\% \times \$10,000.00 = \$1,500.00$	- \$ 1,500.00
(4)	Payment to the Contractor for this Service	\$ 8,500.00

5.2 Required Service 2 (RS-2): Weekly Cleaning

Method of Surveillance: The primary method of surveillance will be Periodic Surveillance of each area throughout the month. Validated Customer Complaints will also be considered.

Lot Size: The number of areas to be cleaned per month multiplied by the number of days in a month. This number ranges from 140 to 186.

Sample Size: 20-31 physical inspections of each area per month.

Performance Requirement: MER = 2 defects per area. Performance is acceptable when 2 or fewer tasks performed per area per calendar month are defective. Performance is unacceptable when 3 or more tasks performed per area per calendar month are defective. Any tasks found to be defective are corrected by reperformance within 2 calendar days.

Inspection Procedure: Inspect each area to be cleaned weekly under the contract using the last physical inspection report as a guide. Note any items that do not meet the performance standards in the statement of work. Review any customer complaints received to find a description of any tasks not performed to the standards. Determine if the Contractor did not

perform as required. Document any tasks that require reperformance. Upon reperformance, reinspect and determine if service meets the standards.

Deduction for Unacceptable Performance: Five percent (5%) of maximum monthly payment for each incident in excess of the maximum error rate, up to and including 8 defects. When a service area reaches more than 8 defects in one month, the Contractor will receive no payment for the service for that area.

5.2.1 Example 1 - Acceptable Performance

Maximum monthly payment for acceptable performance of Required Service 2 for one area (i.e., Visitor Center) is \$10,000.00. Two tasks were found to be defective within the month and were reperformed satisfactorily within the required time.

(1)	Maximum payment for acceptable service	\$10,000.00
(2)	No incidents occurred in excess of the MER	
(3)	Payment to the Contractor for this Service	\$10,000.00

5.2.2 Example 2 - Unacceptable Performance

Maximum monthly payment for acceptable performance of Required Service 2 for one area (i.e., Visitor Center) is \$10,000.00. Eight tasks were found to be defective within the month and were not reperformed satisfactorily within the required time.

(1)	Maximum payment for acceptable service	\$10,000.00
(2)	Six incidents occurred in excess of the MER, each subtracts 5% from the maximum payment for a total of $6 \times 5\% = 30\%$ deduction	
(3)	Deduct amount is $30\% \times \$10,000.00 = \$3,000.00$	- \$ 3,000.00
(4)	Payment to the Contractor for this Service	\$ 7,000.00

5.3 Required Service 3 (RS-3): Monthly Cleaning

Method of Surveillance: 100% Inspection.

Lot Size: The number of tasks to be performed in a month.

Sample Size: The number of tasks to be performed in a month.

Performance Requirement: 100% of services shall be performed. MER = 2 defects per area. Performance is acceptable when 2 or fewer tasks performed per area per calendar month are defective. Performance is unacceptable when 3 or more tasks performed per area per

calendar month are defective. Any tasks found to be defective are corrected by reperformance within 4 calendar days.

Inspection Procedure: Inspect each area to be cleaned monthly under the contract using the last physical inspection report as a guide. Note any items that do not meet the performance standards in the statement of work. Determine if the Contractor did not perform as required. Document any tasks that require reperformance. Upon reperformance, reinspect and determine if service meets the standards.

Deduction for Unacceptable Performance: For each defect that is not corrected within 4 calendar days, 1% of the maximum monthly payment will be deducted.

5.3.1 Example 1 - Acceptable Performance

Maximum monthly payment for acceptable performance of Required Service 3 for one area (i.e., Visitor Center) is \$1,000.00. Two tasks were found to be defective during one month and were reperformed satisfactorily within the required time.

(1)	Maximum payment for acceptable service	\$1,000.00
(2)	Deficiencies were within the MER	
(3)	Payment to the Contractor for this Service	\$1,000.00

5.3.2 Example 2 - Unacceptable Performance

Maximum monthly payment for acceptable performance of Required Service 3 for one area (i.e., Visitor Center) is \$1,000.00. Four tasks were found to be defective during one month and were not reperformed satisfactorily within the required time.

(1)	Maximum payment for acceptable service	\$1,000.00
(2)	Two incidents occurred in excess of the MER, each subtracts 1% from the maximum payment for a total of $2 \times 1\% = 2\%$ deduction	
(3)	Deduct amount is $2\% \times \$1,000.00 = \200.00	- \$ 200.00
(4)	Payment to the Contractor for this Service	\$ 800.00

5.4 Required Service 4 (RS-4): Quarterly Cleaning

Lot Size: The number of tasks to be performed in a quarter.

Sample Size: The number of tasks to be performed in a quarter.

Performance Requirement: 100% of services shall be performed. MER = 2 defects per area. Performance is acceptable when 2 or fewer tasks performed per area per quarter are defective. Performance is unacceptable when 3 or more tasks performed per area per quarter are defective. Any tasks found to be defective are corrected by reperformance within 4 calendar days.

Inspection Procedure: Inspect each area to be cleaned quarterly under the contract using the last physical inspection report as a guide. Note any items that do not meet the performance standards in the statement of work. Determine if the Contractor did not perform as required. Document any tasks that require reperformance. Upon reperformance, reinspect and determine if service meets the standards.

Deduction for Unacceptable Performance: For each defect that is not corrected within 4 calendar days, 1% of the maximum monthly payment will be deducted.

5.4.1 Example 1 - Acceptable Performance

Maximum payment for acceptable performance of Required Service 4 for one area (i.e., Visitor Center) is \$1,000.00. Two tasks were found to be defective during one quarter and were reperformed satisfactorily within the required time.

(1)	Maximum payment for acceptable service	\$1,000.00
(2)	Deficiencies were within the MER	
(3)	Payment to the Contractor for this Service	\$1,000.00

5.4.2 Example 2 - Unacceptable Performance

Maximum payment for acceptable performance of Required Service 4 for one area (i.e., Visitor Center) is \$1,000.00. Four tasks were found to be defective during one quarter and were not reperformed satisfactorily within the required time.

(1)	Maximum payment for acceptable service	\$1,000.00
(2)	Two incidents occurred in excess of the MER, each subtracts 1% from the maximum payment for a total of $2 \times 1\% = 2\%$ deduction	
(3)	Deduct amount is $2\% \times \$1,000.00 = \200.00	- \$ 200.00
(4)	Payment to the Contractor for this Service	\$ 800.00

5.5 Required Service 5 (RS-5): Semi-Annual Cleaning

Method of Surveillance: 100% Inspection.

Lot Size: The number of tasks to be performed semi-annually.

Sample Size: The number of tasks to be performed semi-annually.

Performance Requirement: 100% of services shall be performed. MER = 2 defects per area. Performance is acceptable when 2 or fewer tasks performed per area per semi-annual period are defective. Performance is unacceptable when 3 or more tasks performed per area per semi-annual period are defective. Any tasks found to be defective are corrected by reperformance within 4 calendar days.

Inspection Procedure: Inspect each area to be cleaned semi-annually under the contract using the last physical inspection report as a guide. Note any items that do not meet the performance standards in the statement of work. Determine if the Contractor did not perform as required. Document any tasks that require reperformance. Upon reperformance, reinspect and determine if service meets the standards.

Deduction for Unacceptable Performance: For each defect that is not corrected within 4 calendar days, 1% of the maximum monthly payment will be deducted.

5.5.1 Example 1 - Acceptable Performance

Maximum payment for acceptable performance of Required Service 5 for one area (i.e., Visitor Center) is \$1,000.00. Two tasks were found to be defective during one semi-annual period and were reperformed satisfactorily within the required time.

(1)	Maximum payment for acceptable service	\$1,000.00
(2)	Deficiencies were within the MER	
(3)	Payment to the Contractor for this Service	\$1,000.00

5.5.2 Example 2 - Unacceptable Performance

Maximum payment for acceptable performance of Required Service 5 for one area (i.e., Visitor Center) is \$1,000.00. Four tasks were found to be defective during one semi-annual period and were not reperformed satisfactorily within the required time.

(1)	Maximum payment for acceptable service	\$1,000.00
(2)	Two incidents occurred in excess of the MER, each subtracts 1% from the maximum payment for a total of $2 \times 1\% = 2\%$ deduction	

(3)	Deduct amount is 2% X \$1,000.00 = \$200.00	- \$ 200.00
(4)	Payment to the Contractor for this Service	\$ 800.00

5.6 Required Service 6 (RS-6): Annual Cleaning

Method of Surveillance: 100% Inspection.

Lot Size: The number of tasks to be performed annually.

Sample Size: The number of tasks to be performed annually.

Performance Requirement: 100% of services shall be performed. MER = 2 defects per area. Performance is acceptable when 2 or fewer tasks performed per area per semi-annual period are defective. Performance is unacceptable when 3 or more tasks performed per area per semi-annual period are defective. Any tasks found to be defective are corrected by reperformance within 4 calendar days.

Inspection Procedure: Inspect each area to be cleaned semi-annually under the contract using the last physical inspection report as a guide. Note any items that do not meet the performance standards in the statement of work. Determine if the Contractor did not perform as required. Document any tasks that require reperformance. Upon reperformance, reinspect and determine if service meets the standards.

Deduction for Unacceptable Performance: For each defect that is not corrected within 4 calendar days, 1% of the maximum monthly payment will be deducted.

5.6.1 Example 1 - Acceptable Performance

Maximum payment for acceptable performance of Required Service 6 for one area (i.e., Visitor Center) is \$1,000.00. Two tasks were found to be defective during one annual period and were reperformed satisfactorily within the required time.

(1)	Maximum payment for acceptable service	\$1,000.00
(2)	Deficiencies were within the MER	
(3)	Payment to the Contractor for this Service	\$1,000.00

5.6.2 Example 2 - Unacceptable Performance

Maximum payment for acceptable performance of Required Service 6 for one area (i.e., Visitor Center) is \$1,000.00. Four tasks were found to be defective during one annual period and were not reperformed satisfactorily within the required time.

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(1)	Maximum payment for acceptable service	\$1,000.00
(2)	Two incidents occurred in excess of the MER, each subtracts 1% from the maximum payment for a total of $2 \times 1\% = 2\%$ deduction	
(3)	Deduct amount is $2\% \times \$1,000.00 = \200.00	- \$ 200.00
(4)	Payment to the Contractor for this Service	\$ 800.00